



7702 rate changes: Nationwide CareMatters linked-benefit LTC update moving to June 2021

Based on additional guidance regarding 7702 and 7702A regulations, we've found the interest rate change will have less impact on the death benefit than expected, thus we are factoring that into our CareMatters® II and YourLife CareMatters® corridor factors and 7702A calculations. We will be launching that change to our illustration systems in June 2021, not April 12, 2021 as previously announced.

Nationwide linked-benefit products with 7702 and 7702A rates changes in June 2021

- Nationwide CareMatters II
- Nationwide YourLife CareMatters (New York and California only)

Nationwide CareMatters II and Nationwide YourLife CareMatters corridor changes

The reduced CVAT minimum required death benefit factors will result in lower death benefits for YourLife CareMatters and CareMatters II policies in corridor. This may reduce the dollar amount of cost of insurance charges, because the net amount at risk is reduced. There is no impact to the long-term care benefits provided by the policies. The new factors apply to YourLife CareMatters and CareMatters II policies issued on or after June 14, 2021.

New transition guidelines will be released shortly. Please disregard any previous transition guidelines for 7702 changes to CareMatters products.

Applying 7702 and 7702A rates to in-force policies

After the June rate update, we will be retroactively applying the new 7702 and 7702A rates to in-force policies dated January 1, 2021 and after. For eligible CareMatters II and YourLife CareMatters policies issued in 2021, we will retroactively apply the new 7702A rates and premium testing limits (which determine MEC status). The CVAT minimum required death benefit factors for in force CareMatters II and YourLife CareMatters will not be changed to preserve the illustrated death benefit. As a result, the dollar amount of cost of insurance charges will also not change for in force policies. We will be in touch with the details on how we will communicate the changes to policyholders and their producers.

Illustration systems to be updated June 11, 2021

On June 11, 2021, our illustration systems will be updated with the new 7702 and 7702A interest rates.

We look forward to making the benefits of the new 7702 and 7702A rates available to policyowners. Thank you for putting your trust in Nationwide as we implement these changes. If you have questions, please don't hesitate to contact me.

Sincerely,

Bailey Mullen, ALHC, CLTC®

Relationship Consultant

Proud Nationwide Member

Strategic Account Management

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is on your side



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Be sure to choose a product that meets long-term life insurance needs, especially if personal situations change — for example, marriage, birth of a child or job promotion. Weigh the costs of the policy and understand that life insurance has fees and charges that vary with sex, health, age and tobacco use. Riders that customize a policy to fit individual needs usually carry an additional charge. Rider names and availability vary by state.

Nationwide CareMatters is a cash indemnity product that pays LTC benefits when the insured person is certified to have a qualifying condition and a need for LTC services. Bills and receipts showing actual expenses do not have to be submitted for payment of benefits once a claim has been approved. Each year, the policyowner can receive, tax free, the greater of the HIPAA per diem amount or actual LTC costs incurred. However, benefits may be taxable under certain circumstances. Taxpayers should consult with their tax and legal advisors about their specific situation. Benefits under the LTC Rider are an advance payment of the policy's death benefit while the insured is still living. Accelerating the death benefit, along with taking loans and withdrawals, reduces both the death benefit and cash surrender value of the policy.

Care should be taken to make sure that life insurance needs continue to be met even if the entire death benefit is accelerated or if money is taken from the policy. Individual care needs and costs will vary, and there is no guarantee the policy will cover the entire cost of the insured's long-term care. Nationwide pays benefits to the policyowner. If the policy is owned by someone other than the insured, there is no guarantee the policyowner will use the benefits to pay for LTC services.

Guarantees are subject to the claims-paying ability of the issuing insurer. Products are issued by Nationwide Life Insurance Company or Nationwide Life and Annuity Insurance Company, Columbus, Ohio.

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